

Reform of Vocational Education: Workforce Development Councils

Information for employers and industry groups

September 2019



What is the Reform of Vocational Education?

The Reform of Vocational Education is a suite of changes introduced to help prepare us for the future of work.

The way we work – and the jobs we do – are changing.

We need a system that is simple to understand and navigate, responsive to the needs of learners and employers, and flexible enough to change as the future develops.

What are we aiming to do?

To create a more sustainable system for all New Zealanders.

A system with a stronger focus on employers:

- delivering the right skills they need
- providing more support for their employees and the employer
- greater consistency in skills, programmes and qualifications
- encouraging more employers to be engaged in vocational education.

For learners, the system will offer:

- more support while they are training
- education that is more relevant to work
- an easier path to continue learning if they need to move.

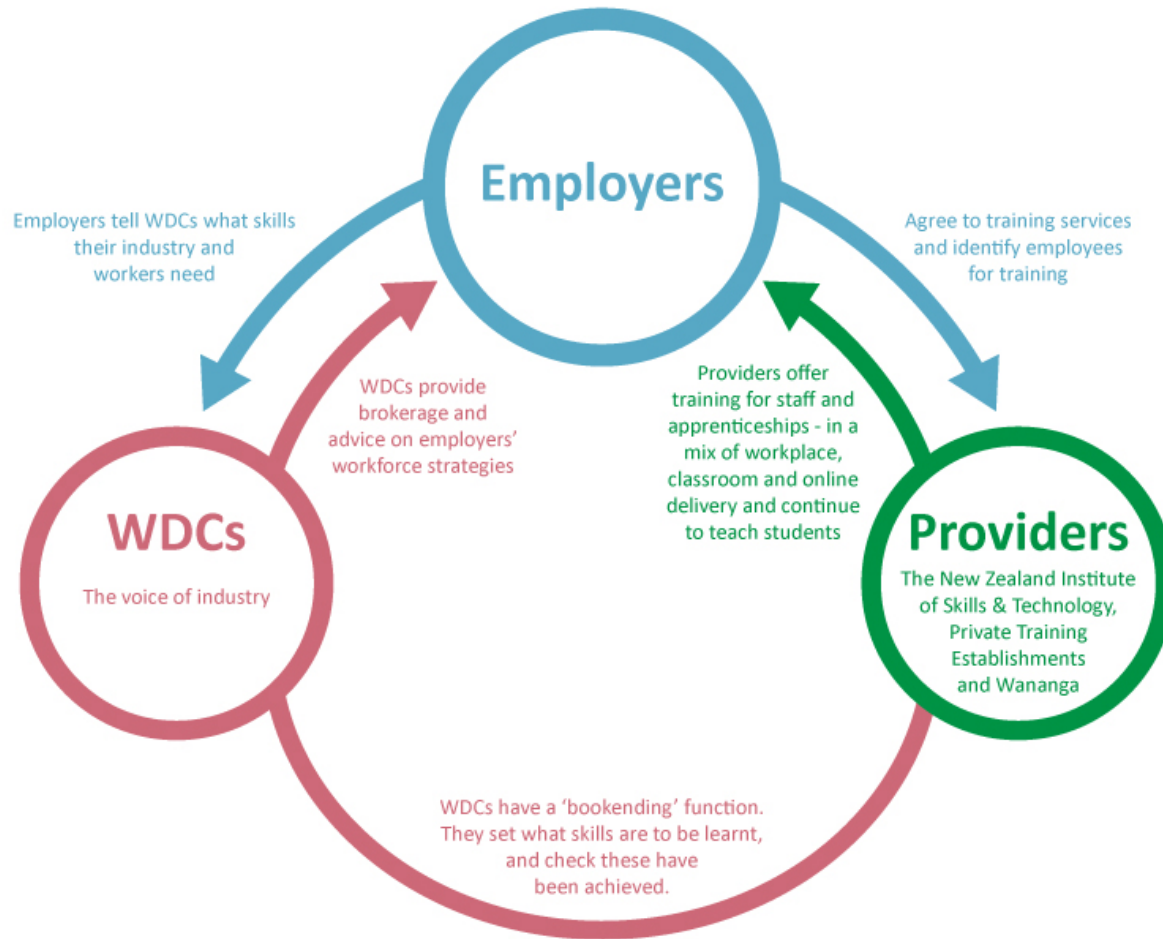
Seven key changes, gradually introduced

- Create **Workforce Development Councils (WDCs)**: 4-7 industry bodies with leadership across vocational education
- Establish **Regional Skills Leadership Groups**: advising on regional skills needs across the system
- Establish **Te Taumata Aronui**: to ensure the commitment to Māori-Crown partnerships
- **Create the New Zealand Institute of Skills & Technology**: A sustainable, public network of regional vocational education, with new skills and capabilities to support work-based learning.

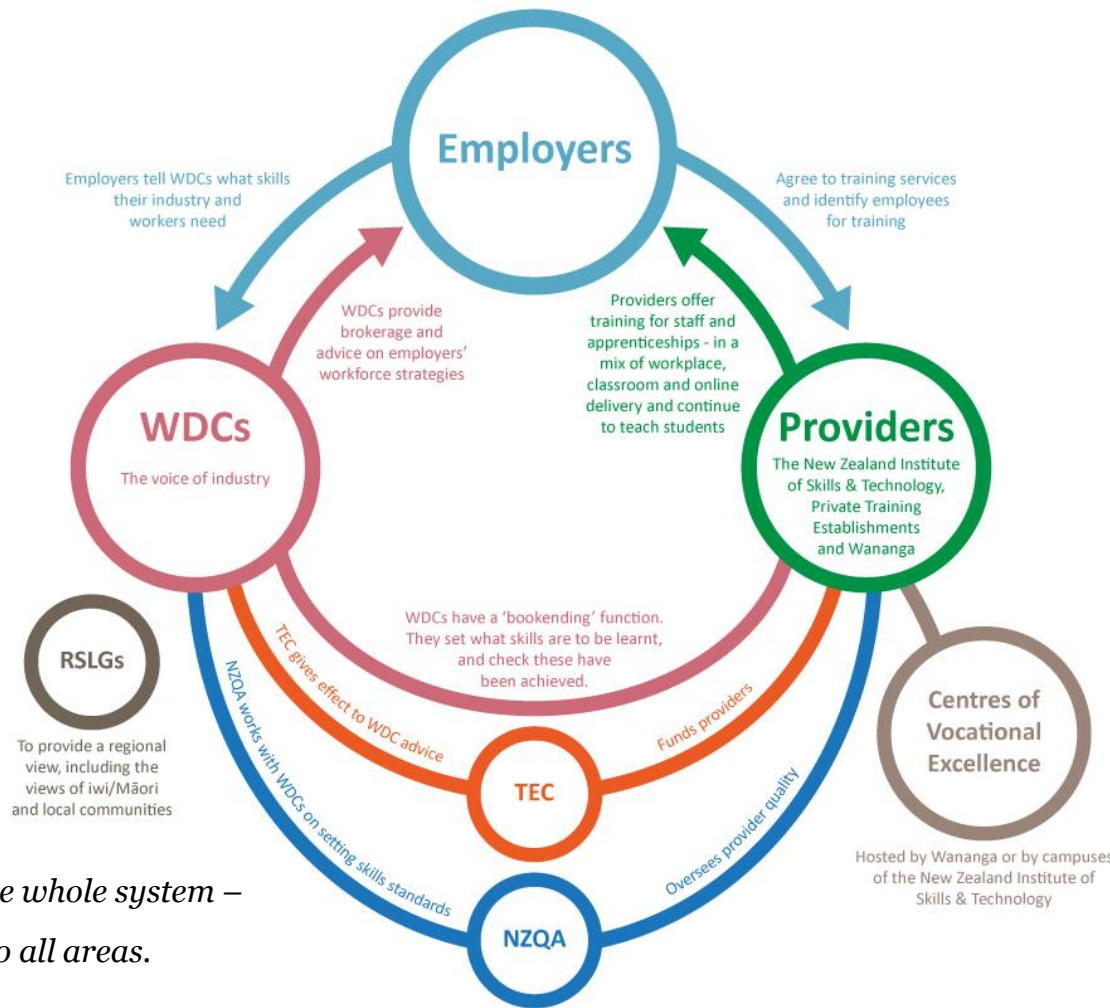
Seven key changes, gradually introduced

- Shift **support for workplace learning**: The new Institute and other providers will support workplace-based, on-the-job training in the future
- Establish **Centres of Vocational Excellence (CoVEs)**: CoVEs will bring key stakeholders together to grow excellence and quality across the system
- Unify **the vocational education funding system**: A unified funding system to fund all provider-based education at levels 3 to 7 (excluding degree study) and all industry training (including level 2).

A simplified system view...



... and a more detailed view



*RSLGs sit across the whole system –
They have links into all areas.*

What are Workforce Development Councils?

- Workforce Development Councils (WDCs) would have a key skills leadership function, setting standards and making sure these standards are being met by learners
- They will be industry led, and provide direction and advice to the TEC on the type of skills investment needed to support their industries
- This means the TEC would invest in education providers that are able to deliver the skills that your employees and trainees need.

What are the differences between a current ITO and a future WDC?

ITO

- 11 ITOs (plus non-funded Funeral Services ITO)
- Defines national skills standards
- Arrange training on behalf of employers in workplace and off-job
- All are charities (legally), established by industry
- Provide information on industry demand and need
- Don't deliver, but arrange, training

WDC

- 4-7 WDCs which are statutory bodies with industry governance
- Greater ability to influence Government investment via TEC
- Standards setting function across all providers (through developing qualifications, standards and training packages)
- 'Bookending' of qualifications
- Greater skills leadership role (schools, marketing)
- May have other functions as agreed by the Minister

WDCs - key decisions already made

- Establish a small number (around 4-7 WDCs)
- WDCs will influence the ‘what’ and ‘how’ of training
- WDCs will:
 - Provide skills leadership
 - Brokerage and advisory services
 - Investment direction and advice to TEC
 - Set skills standards and develop qualifications
 - Moderate assessments.

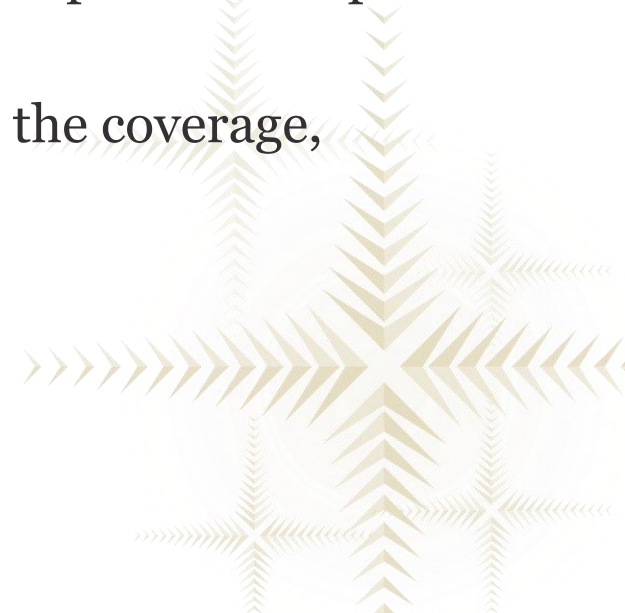


Transition will be gradual

- There is the opportunity for a long transition, to make sure that it is as *smooth as possible*
- **We can assure you that existing support for training will continue**
- Changes will only happen when capability is in place and managed carefully
- We don't want to see disruption to the skills pipeline
- If you develop training materials today you will do so in the future
- The Minister will sign off each WDC's establishment plan and each ITO's transition plan.

It's business as usual for you

- Your ITO will continue to support you and your trainees and apprentices
- The TEC will work with each ITO on transition plans for moving training support by the end of 2022
- We need to ensure provider/s have the right skills and capabilities to support you, and your needs
- Identifying how to retain ITO staff skills and capabilities is part of transition planning
- Right now, we are keen for your thoughts on the coverage, structure and shape of the new WDCs.



What is yet to be decided?

We need to hear from a wide range of stakeholders and industries to help shape WDCs individually and collectively

- How should industries will be grouped under WDCs?
- What governance structure is right for industry – representative, skills based or a mix?



Any questions?

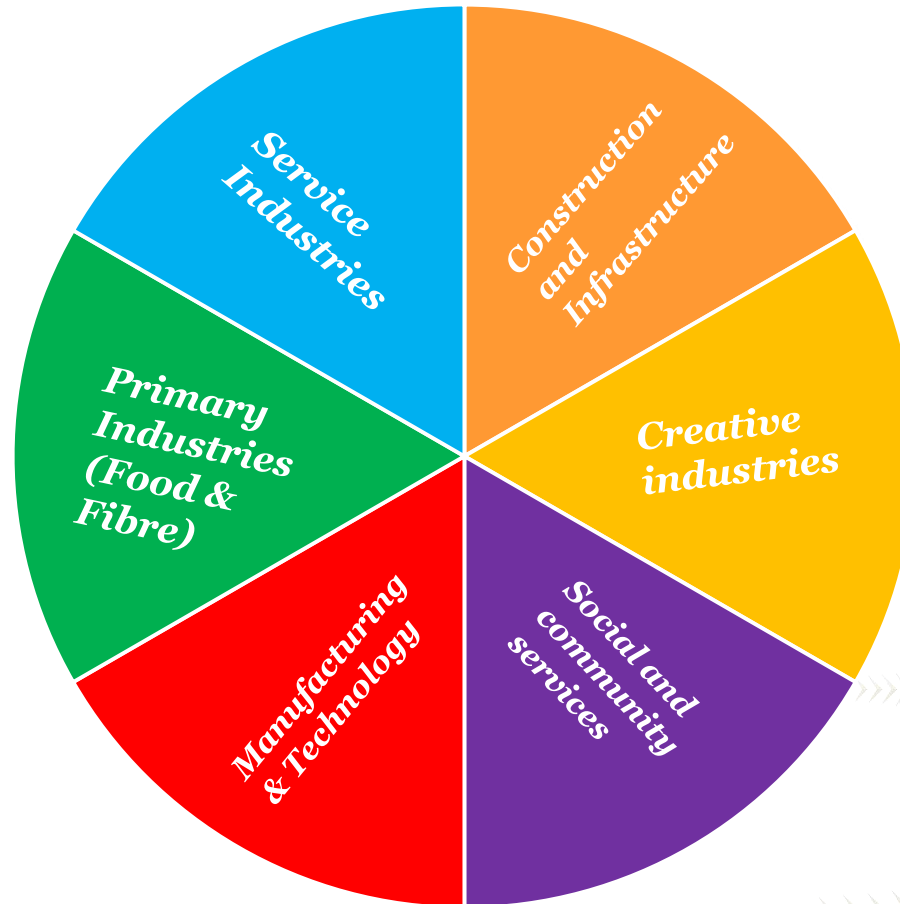


Coverage

What do we mean when we talk about coverage?

- When we say ‘coverage’, we mean the industry groupings that would sit under each potential WDC
- For example, you may currently have a hairdressing salon and work with HITO. What industry grouping would you sit under in future?
- We’ve got a few ideas about how you could group industries, but we want your feedback here today.

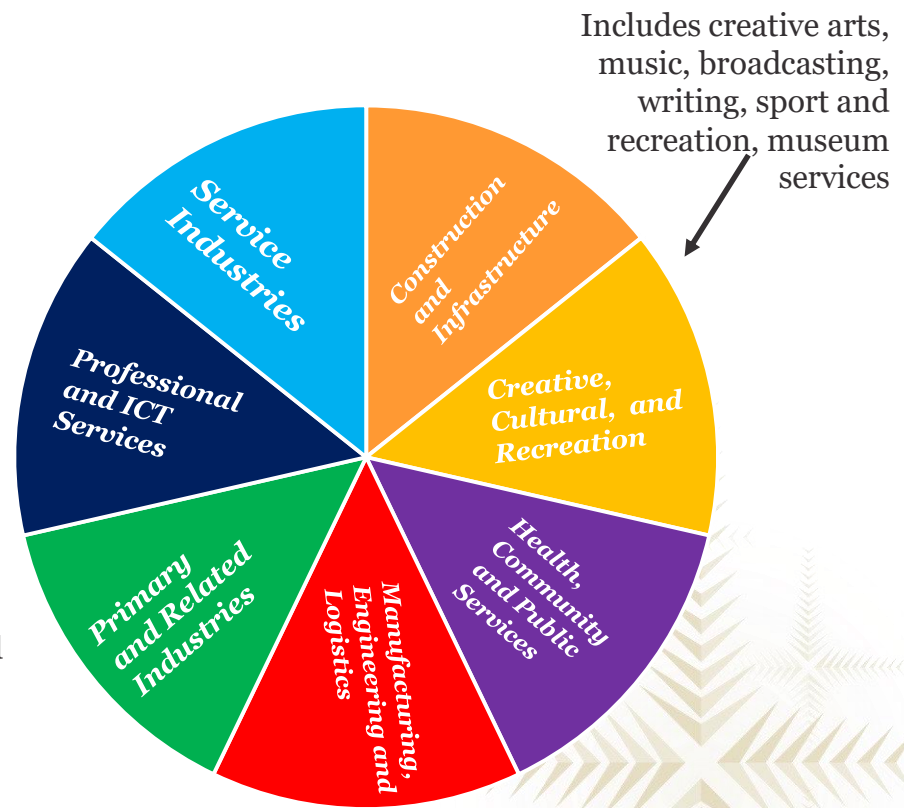
Current six Vocational Pathways (VPs)



ITO Sector has suggested an option with 7 WDCs



Our current six VPs

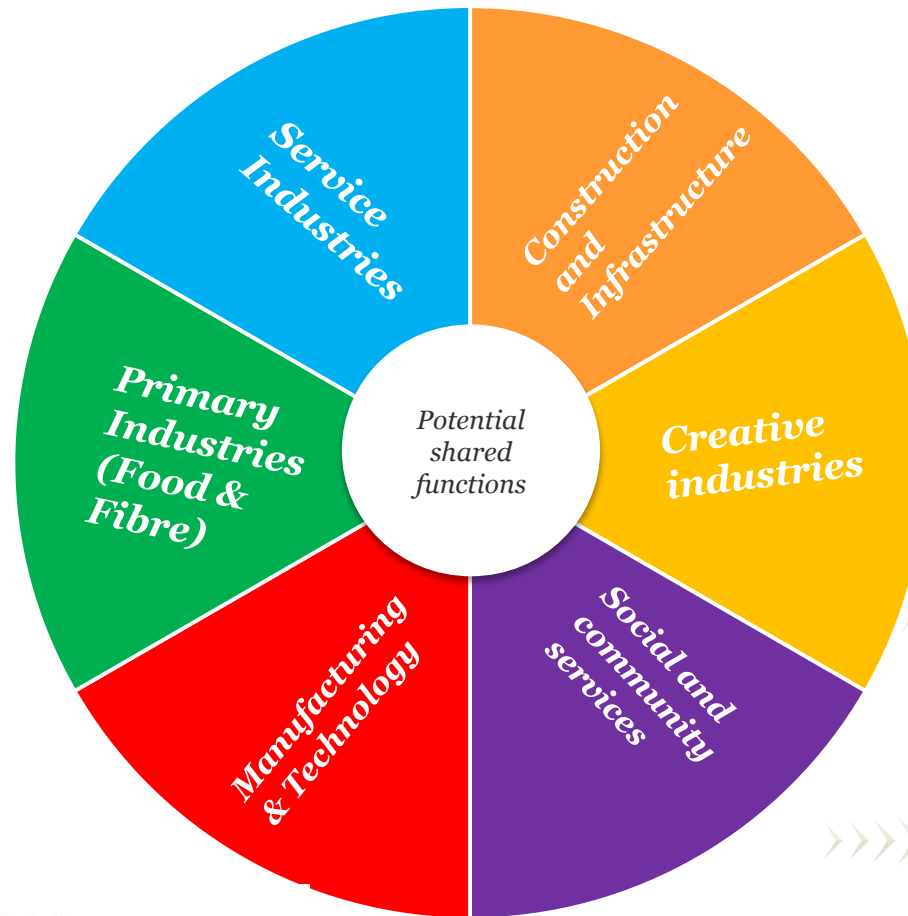


Includes financial and banking, professional services, IT, management

Includes creative arts, music, broadcasting, writing, sport and recreation, museum services

Another option could see functions shared..

These functions could be shared regardless of the number of WDCs
(potential functions follow on the next page)

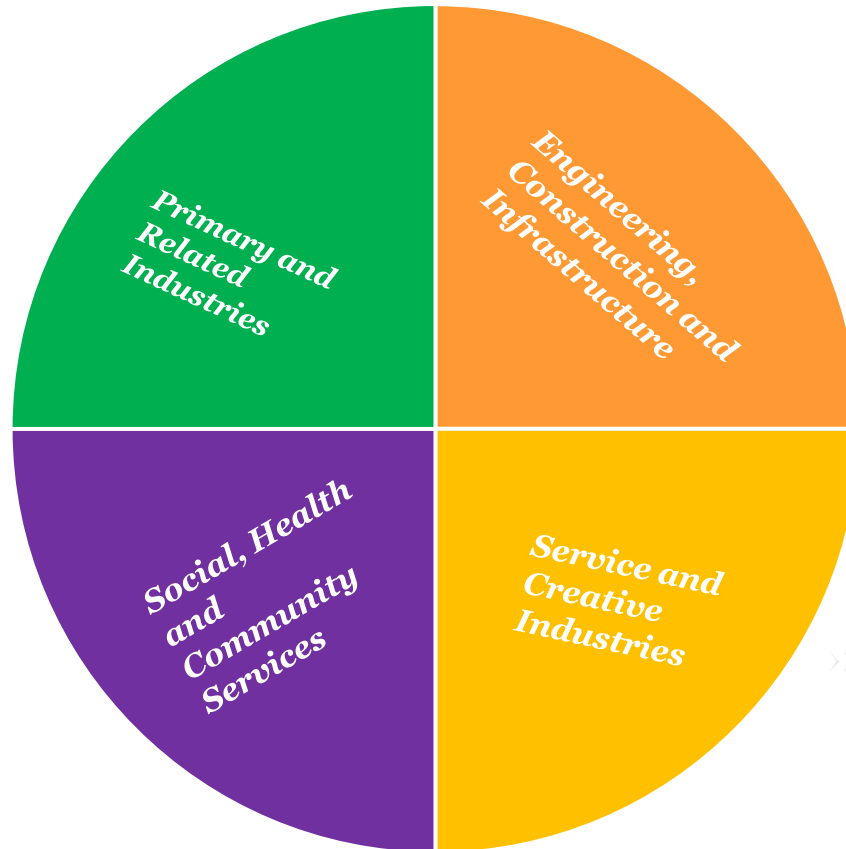


What could the shared function include?

- Common skills standards such as management, literacy and numeracy, health and safety?
- Options for combined back office functions?
- Information procurement and sharing?
- Centralised TEC advice function?
- Centralised planning function for data?



What about four broad groupings?



Or we could vertically integrate

- All models have overlaps where industry can fit in more than one WDC.
- Other possible frameworks are Skills Aligned or Supply Chain (Vertically) Aligned
- For a Primary Industry WDC, for example, this could encompass a ‘pasture to plate’ approach

Approach	Standard Setting Grouped by:
Skills Aligned	Commonality of skill requirements across multiple sectors and industries
Supply Chain (Vertically) Aligned	Integration of the complete supply chain for a particular product or group of products

We want you to think about the following questions

- Do you have a preference from the grouping models suggested? Or would you propose a different model?
- What do you think of WDCs sharing some functions – such as a centralised TEC advice function, or information sharing?
- › What is really important to you when it comes to potential WDC groupings?



Workshop activity

Coverage



Governance

The governance of an organisation refers to the oversight and activities of a governing body (board, committee, trust or similar) who set the strategic direction and goals of an organisation.

It involves a framework of values, processes and practices, which should direct the organisation and allow it to monitor progress and measure performance.

Governance

Through this framework, a governing body can make informed decisions that:

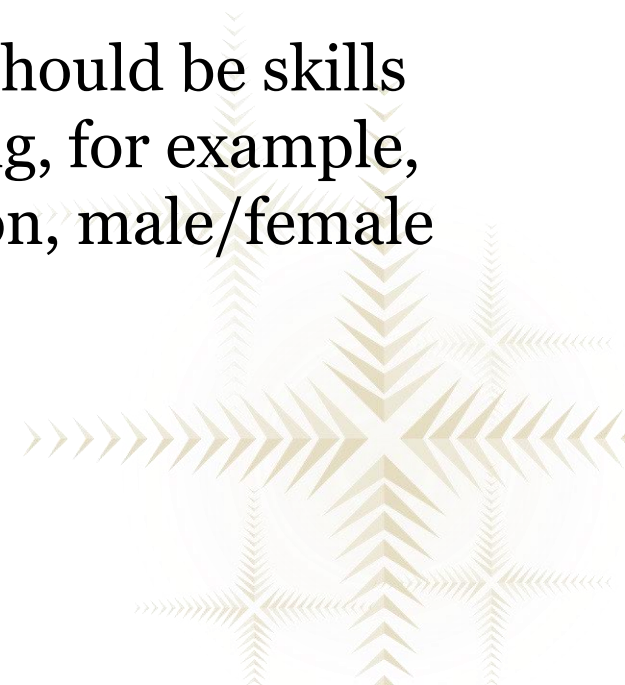
- *help the organisation achieve its purpose and goals*
- *ensure the organisation operates ethically, and*
- *ensure all laws and regulations are complied with.*

This includes how different interests are represented.



Governance

- › How do you think the interests of employers and industry should be represented in WDCs?
- › Do you have any ideas of the types of Governance structures that may work well? Or how people could be chosen to be part of a Governance structure?
- › Do you think the governance structure should be skills based, or representative based (including, for example, iwi, employers or industry representation, male/female representation, geographic)?



Workshop activity

Governance



Next steps

The next areas we are keen to understand are:

- What capability will a WDC need?
- How do you as an employer ensure your voice is heard?
- How can WDCs share capabilities and advance issues common to all industries?
- What intervention frameworks (e.g. steps to be taken if WDC is not performing) would be appropriate?



We know you will have more questions

- We are just beginning our process of working through WDCs and the transition of arranging training
- **We're taking a careful approach to this** – and that means we can't answer all of the questions you have today
- We will make sure that you remain informed



Keep in touch

- There are lots of ways to be heard:
 - Talk to your ITO, industry association or member organisation
 - Visit our WDC section of the TEC website
 - Send your thoughts to **WDCs@tec.govt.nz**
 - Sign up to the TEC's RoVE newsletter – see our website or we can give you the link

